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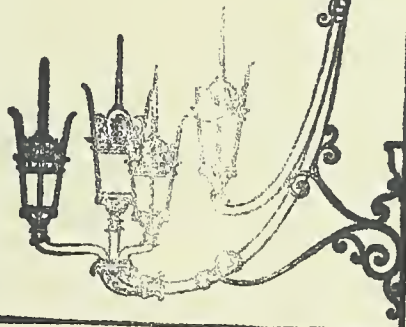
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ANSWERS TO QUESTIONS COMMONLY ASKED ABOUT PARK PLAZA

1. What is the Park Plaza Project?

The Park Plaza Project is a 35-acre urban renewal development in the heart of downtown Boston. It is designed to replace the deteriorating buildings and outdated land uses of this area with new apartments, shopping and entertainment facilities, hotel rooms, office space, and public open space.

2. What are its boundaries?

The Project is bounded by Boylston Street, Arlington Street, Stuart Street, Kneeland Street, Knapp Street, Beach Street, Harrison Avenue and Essex Street.

3. Will all the buildings within these boundaries be demolished?

No, the Statler Hilton Hotel and Office Building will remain as will the three buildings on the southwest corner of Tremont and Boylston, i.e., the Little, Colonial and Walker Buildings and the buildings at 19-39 Harrison Avenue.

4. Are Federal funds to be used in the development of this Project?

No. It has become extremely difficult if not impossible to obtain Federal funds for new urban renewal projects. Park Plaza represents a novel approach to continuation of the urban redevelopment process in the absence of Federal funds.

(Circa 1974?)

In a typical project, Federal, state and city money is used to acquire property through eminent domain, to relocate tenants and to demolish buildings. The development parcels thus created are sold to developers at a price based on the specific use to which the property will be put rather than on the actual cost that has been expended in acquiring and preparing the land. Customarily this price is considerably lower than the cost of acquisition, relocation and demolition and the difference is borne by the various governmental agencies involved with the Federal government paying 2/3rds, the state 1/6th and the city 1/6th.

In Park Plaza, however, there is no Federal, state or city money available. Instead, the private developer is required to participate in the land acquisition, relocation and demolition process and must guarantee to provide all the necessary funds. As a result, the cost of redevelopment parcels in Park Plaza paid by the developer will be equal to the actual cost of assembling and preparing the land, and the developer will not receive the benefit of any land writedowns or subsidies.

5. Are city funds required to complete the Project?

The only city funds to be invested in the Park Plaza Project will be used to construct new streets and to relocate and construct public utilities. The estimated cost for this work in Parcels 1, 2 & 3 is \$6,800,000. The city will recover almost half this investment almost immediately by selling to the developer the land now occupied by streets to be vacated and the excess land that must be acquired as part of the New Charles Street right-of-way acquisition but not actually needed for the road itself. The developer has further agreed to pay a total of \$3,000,000 over and above normal real estate taxes in the form of twenty annual \$150,000 payments commencing in the sixth year after completion of the development of Parcels 1, 2 & 3.

As a result, the net long term investment by the city will be less than \$500,000.

6. Will the Project increase Boston's real estate tax base?

Yes. In 1970, Boston collected less than \$2-1/2 million in real estate taxes from the entire Project area. It is estimated that the total development planned will pay approximately \$8-1/2 million in real estate taxes, representing an increase of more than \$6 million per year. In Parcels 1, 2 and 3 alone current taxes are less than \$1,500,000 annually, and the development proposed on just this phase of the Project will generate taxes of \$4-1/2 million per year, representing an increase of \$3,000,000 annually. It is important to note that since 1955 the assessed valuation of the Project area has dropped by \$11,000,000 a trend which will continue unless redevelopment is initiated.

7. Has the developer been selected for the Park Plaza Project?

The Project has been divided into five development Parcels and Boston Urban Associates has been tentatively designated the developer of Parcels 1, 2 and 3, extending from Arlington to Tremont Streets. The selection of a developer for Parcels 4 and 5 has been deferred to a later date pending the results of initial development activities on the first three Parcels. These activities will upgrade the area, making it easier to finance and accomplish the development of the final two sections of the Project.

8. Who is Boston Urban Associates?

Boston Urban Associates is a professional development organization headed by Mortimer B. Zuckerman and Edward H. Linde. The firm is involved in large scale real estate projects both in New England and in other sections of the country. Mr. Zuckerman and Mr. Linde were instrumental

in the development of such buildings as The Boston Company Building, The Massachusetts Rehabilitation Hospital and The Marine Midland Center, an important downtown renewal project in Buffalo, New York.

9. What is the development program for the first three Parcels?

When completed, Parcels 1, 2 and 3 will contain 1450 to 1500 luxury residential apartments, 100 to 150 moderate income housing units for the elderly, an 800 to 1000 room full-service convention hotel, approximately 500,000 s.f. of shopping, eating and entertainment space, 1,000,000 s.f. of rentable office space and more than 3000 parking spaces.

10. Has an architect been selected for the first phase of the development?

Yes. The architect is Davis, Brody & Associates, an internationally renowned designer of such quality projects as the U. S. World's Fair Pavilion at Osaka, Japan, and Riverbend and Waterside Apartments in New York City. The firm was selected for two of the top ten prizes awarded in the most recent American Institute of Architects National Competition.

11. Will the proposed development increase traffic congestion?

No. Even before the first plans for the development were drawn, the Boston Traffic Department and an independent engineering firm studied the street capacities to determine the maximum allowable development program. The proposed development plan is consistent with that study. In addition, the Project will improve traffic flow by replacing the present antiquated street pattern with more direct routes. The primary change will be in the area of Park Square itself where New Charles Street will be constructed to provide straight north-south traffic flow through the Project area. Also,

Kneeland, Stuart and Providence Streets will be widened to increase their capacity and facilitate the movement of cars through this area.

12. Are the utilities sufficient to serve the proposed Project?

One of the benefits of the Park Plaza Project will be the installation of new utility systems to replace facilities installed as many as seventy or more years ago. After these changes there will be no problem of inadequate utility capacity either for the Project itself or surrounding areas.

13. Even in its first stages Park Plaza is an ambitious undertaking--
can Boston support the new facilities it will add?

Independent studies by real estate, research and marketing experts indicate that Boston has a demand for the facilities being created. The absorption to luxury housing heretofore erected in the downtown area has been excellent, and it is estimated that Boston can absorb as many as 2100 luxury residential units per year without any problem. More than 60% of those occupying these units will come from either the Boston suburbs or completely outside the Boston area, representing a very healthy trend for the city.

Many Boston hotel men and the city's Convention and Visitors Bureau welcome the addition of a new full-service hotel to the downtown area for it will enable Boston to attract meetings and groups which cannot now be handled due to insufficient capacity. It is expected that this new facility will counter the movement of hotel business to the suburbs which has taken place over the past few years.

Gladstone Associates, Economic Consultants, have analyzed the demand for retail space in downtown Boston and have predicted that the new stores

will be easily absorbed into the current retail district, strengthening the downtown shopping core. These new facilities will be an important element in the downtown area's ability to withstand the competition from suburban retail shopping centers.

The current supply of office space is expected to absorb office demand for the next several years. The office space contemplated in Park Plaza will not be marketed until the end of that period and is slated to become available at a time when Boston will once again need a new office supply in order to continue the steady, healthy growth in office expansion which has occurred over the past ten years.

14. What areas of Park Plaza will be available to the general public?

Some of the most important elements of the Park Plaza Project are intended for public use. One of these is an enclosed climate-controlled pedestrian circulation system which will allow the public to walk within the Project from its western boundary at Arlington Street to its eastern boundary at Harrison Avenue without going outside and without interference from vehicular traffic. This passage will tie directly into two MBTA Stations at Arlington Street and Essex Street.

Another major element of the Project is the public square that will be created between Boylston and Stuart Streets bridging Charles Street. This square, facing the Public Garden and Common to the north and the South Cove to the south, will be surrounded by stores, restaurants and other entertainment facilities, creating activity sixteen hours per day. The surface will be dotted by kiosks, exhibits, sculpture and outdoor dining areas.

15. What other benefits can the citizens of Boston expect to gain from the Project?

Most important will be the creation of new jobs, both during construction and after the project is completed. It is estimated that Phase 1 alone will require more than 1,000,000 man days of work to construct. When this phase is completed, the hotel, retail and office facilities will provide more than 7500 permanent jobs and this employment will grow to more than 12,000 when the entire Project is finished.

16. When will development begin?

Boston Urban Associates plans to begin development of the first phases of the Project as soon as sufficient land is available. The land acquisition process will begin shortly after the City Council approves the urban renewal plan, and it is expected that building demolition and excavation will begin within twelve months after the start of land acquisition.

The first phase of development will be directly west of Charles Street and will include the hotel, the first residential tower and a major portion of the retail area including the shopping arcade and adequate parking to satisfy the needs of this phase of development. Later phases will proceed on a regular schedule thereafter with the total development program scheduled over a 6 - 8 year period. The hotel and first residential tower will open for occupancy in late 1975 or early 1976. All buildings in Parcels 1, 2 & 3 should be fully occupied by 1978 - 1979.

17. What will happen to people who currently own land or buildings within the Project area?

The property within the Project area will be purchased from present owners at its current fair market value. Independent appraisers will prepare calculations of this value to be used as the basis for negotiation between the developer and current property owners. If these parties are unable to reach mutual agreement, the BRA will exercise its eminent domain powers to acquire property, and the final purchase amount will be determined through court action.

18. Will many people be displaced by this Project?

There are 286 residents and 440 business establishments in the total 35-acre area that will have to be relocated to allow new construction. Of these, only 37 persons live in Parcels 1, 2 & 3, while 255 business establishments are in operation in these first three parcels.

19. What about the tenants in the buildings being demolished-- will they be assisted in finding new locations and in moving?

Yes. Although no Federal funds are available, the developer has agreed to assist tenants in relocation and to pay relocation subsidies on the same basis as those currently paid on other Boston urban renewal projects. The BRA's professional relocation staff will be responsible for administering this program, helping tenants find suitable locations to replace their present business establishments or residences.

20. Has financing been secured for the Project?

Boston Urban Associates has been able to secure indications of preliminary financial support from several major institutions for the development proposed in Parcels 1, 2 & 3. These include Congen Realty Trust, an affiliate of Connecticut General Insurance Co., and Teachers Insurance and Annuity who both have expressed interest in participating in the retail and low rise office portions of the Project; White Weld and Eastman Dillon, two important Wall Street investment brokerage firms, who wish to raise the funds necessary for the residential and parking portions; and the Chase Manhattan and Wells Fargo Banks, and the First National and State Street Banks of Boston, who are interested in supplying substantially all of the construction and interim financing needed.

It must be understood that any financial commitment based on preliminary plans and prior to approval of the appropriate city authorities must be subject to review of final plans, cost and revenue estimates and legal opinions and documentation. Nevertheless, the support shown to date indicates acceptance of the basic financial feasibility of the complex by important elements of the professional real estate investment community.

